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SOURCE

Taiwan Sheng-sheng-fu Kung-pao, (Taiwan Provincial Government Gazette), No 69, 1948. (Information requested.)

WEI TAO-MING DISCUSSES TAIWAN AFFAIRS

Governor Wei Tao-ming addressed the sixth meeting of the First Session of the Taiwan Provincial Assembly. A digest of his message follows:

The economic policy of the Taiwan government rests on two pillars, the currency program and the food program. With regard to the former, we are trying by automatic adjustment to minimize the effect on Taiwan currency of the violent agitation in the currency of mainland. As for the latter, we are trying to curb fluctuation in food prices and ensure a beneficial distribution of the food.

The Central Government has authorized us to continue our financial policy which hitherto has worked successfully. However, there are some people who are fearful of increase in the issue of Taiwan currency, holding that it indicates or presages a drop in value. But that is a superficial view and not in accordance with the facts. The main reason for increasing the issue of currency is to keep pace with the needs of growing production. To illustrate, we are now about to harvest our annual sugar crop which, it is estimated, will amount to 400,000 tons. The amount of money required to pay for this crop will exceed 2 million Taiwan yuan. And a great deal more will be required for other production.

We have goods back of our currency. There are no grounds for fearing inflation. Before the war, under normal conditions, the amount of Taiwan currency in circulation was 190 million Taiwan yuan, and at the time of maximum circulation reached as much as 500 million yuan. After making allowance for the difference in value of the currency then and now, the ratio of the amount of currency now in circulation to that at the time of the lowest prewar circulation is about 1 to 15. So there is no reason for anxiety concerning the amount of currency that is being issued to finance our production.

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Everyone understands the importance and approves the policy of automatic adjustment of the currency, but the importance of our food policy is even greater. Although the Assembly, after thorough consideration of the problem, has officially approved its adoption, yet it is inevitable that there will be some people who will either fail to understand or deliberately misconstrue the features of the policy. It is said that the price at which the government is buying in the grain is too low and thereby is doing an injustice to the people. Those who have only a superficial knowledge of the problem accept this as valid criticism. But if the real facts are known and understood, the prices are seen to be reasonable. They are fixed on the basis of a 25-percent return to the farmer on the cost of production averaged for the whole province, and they apply only at the place of production and within one month after the harvest. Furthermore, farmers ought to sell to the government at a smaller profit than to themselves since the government has supplied them fertilizer (ammonium sulfate) at a price far below the market price. The handling of the fertilizer is in fact an integral part of the food policy. The production of rice is constantly increasing and is now greater than at any time in the past.

During the past year our province has passed from the state of an excess of imports to one where our exports exceed our imports. This is the basis of a healthy economy and is a cause for optimism. Nevertheless, we are still encountering a number of serious difficulties, the chief ones being: (1) the restoration of our electric productive capacity; (2) the improvement of our transportation facilities, including a substantial increase in our railway equipment; and (3) the increase in production of fertilizer.

We shall need much foreign exchange for these purposes. I am now in a position to state that our hopes for US aid will be fulfilled. Appropriations have been decided upon as follows: (1) for electrical equipment, 6 million US dollars; (2) for railway equipment, one million; and (3) for sugar and fertilizer manufacturing equipment, one million.

Negotiations for aid in connection with other enterprises are still in progress.

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